App. F. IX-4

193 .

File No. 122-29

Previous References
Gen 83-18 (1-3)
" 83-18 (4-5)
" 83-18 (6-9)

(Genl.)

Serial Nos. 1-9

Later References
Genl 92-41-142 -

Preserve
BP

(56)

General and Revenue Secretariat.

Serial Nos. Mining

Part B for March 31

SUBJECT.

Removal of tailings from the Somasundaram Lands Kolar Gold fields by Nandidrug and Oorgaum Gold mining Companies.

Serial No.

1 From the Chief Inspector of Mines in Mysore No. 1875 d. 19.4.30. Invites attention to conditions 1 & 5 of the G.O. of 12th December 1919 laying down that the Oorgaum & Nandydroog Mining Companies shall remove the tailings in the Kommakuppam Tank, K.G.F., as expeditiously as possible and that the permit given to them for that purpose will be valid for three years and that in case the time has to be extended they should pay a further sum of Rs. 1000 per year in addition to the lump-sum of Rs. 5000 already paid by them and requests that the G.O. may be reconsidered & modified in respect of condition 1 & 5 as requested by the Supdt, Nandydroog Mine, for reasons set forth in the letter, that the time limit may be fixed from the date of the commencement of operations instead of from August 1920 as in the letter.

2. It is stated that the work done by the Nandydroog Company during 1920-28 was of an experimental nature to ascertain the most economic process by which the tailings could be treated and that during 3 out of the 5 periods in which these operations were being carried out the Company did not derive any appreciable gain. If condition 1 be imposed the cost of removing 50 per cent of the tailings (250,000 tons) which are untreatable & unprofitable would seriously hamper the successful exploitation of the remainder. It is also stated that the restoration of the tank will in the opinion of the Health officers of the K.G.F. & the Sanitary Board have a harmful effect on the health of the

Note—Contn. Sheet

WD 01684—GPB—30,000—20-4-29

Serial No.

community living in the neighbourhood of the tank, that it is not advisable to order the restoration of the tank and that all these circumstances were not taken into consideration when the above Govt order was passed.

Orders for orders.

MR.
29.4.30.

2. Please put up the file connected with the G.O. of 12.12.1919

Ch 8/7/30

3. The required collection which had been taken by the Revenue Branch in another connection is obtained and put up for perusal.

MR.
17.5.30.

4. The Ch. Inspr's recommendation with regard to condition 6 may, perhaps, be accepted.

5. As regards the non-restoration of the tank it may be necessary to consult the Rev. Comr & the Director of Research.

Seen
Ch 21.5.30

6. The letter of the Chief Inspector of Mines is subd for perusal. The idea was that the tank shd be cleared of silt and restored to its original condition. The Chief Insp says that this wd be difficult and, what is more, is not desirable. The Dy Comr will be consulted regarding this. The question

WD 01684—GPB—30,000—20-4-29

General and Revenue Secretariat | Genl. File No. 122 of 1929

Serial No.

a/c the payment due from the company under cond. 5 settled
Bill to be considered after a reply is rec'd from the Dy Comr on the above first point

OFFICE OF THE
26 MAY 1930
7094

JMV
23/5/30
Ca
23/5

1. First Member
2. Second Member

CMC
27.5.'30

HT
27 5 30

Ky
29.5.30

HT
29 5 30

9. Draft settled.
MV. 10. Issue
31.5.30. Ca
2/6

2 To the D.C. Kolar
No D 13385 dated 6/6/
calls for the opinion as the Legislation
referred by the Chief Secretary of Mins.

11. Send with a reminder
KD 12. Please put up a fresh reminder
16/8
13. Fresh reminder put up.
KD 14. Issue
16/8
KD
JMV No D/198 16/8
16/8

Govt. of India SECRETARIAT
14 JUNE 1930
DEVELOPMENT BRANCH

WD 01684—GPB—30,000—20-4-29

9023
1531
1532

Genl. 122 — 29

From the Ag. Chief Inspector of Mines. 3

No. 282 d. 19. 8. 30. Forwards a copy of letter No. 509 d. 15. 8. 30 from the Supdt, Nandyalurag Mines Ltd., stating that operations in respect of the treatment of the sands in Yennakuppam Tank were resumed in May 1930 and that to the end of July 1930, 13,338 tons of sand were treated yielding 841.06 ozs. of gold and states that as 50 per cent of the tailings in the tank had ane untreatable, they have to remain in the tank itself, that the tank as a whole cannot therefore be restored, that its situation close to the existing Cyanide dumps will tend to quicken accumulation of tailings in course of time and states that the Company may be excused from payment of the amount due from them for the years from 1923-25 as work had been completely stopped therefore and requests early orders of Govt in the matter.

9023
1531
1532

Yest. File No 122 of 1929

General and Revenue Secretariat

Serial No. 4

From the Dy Commr Kolar Dt. No. A.I.C. 47/30-31. d. 19.8.30. Yesbmits his views on the Chief Inspector's letter in Ml. together with the letter of 21.7.30 from the Executive Engineer, Kolar Division, and states that as a sum of Rs. 3000 is still due from the Company for the 2nd period of their operations (1926-28) in addition to the sum of Rs. 5000 already paid by them for the 1st three years (1920-22) as the Company has derived a profit of Rs. 25,000 for the whole period (from 1920 to 1928) and that as regards condition (1) of the G.O. dt 12th Dec 1919 re: removal of tailings from the tank in question as expeditiously as possible so as to make it serviceable again, it is necessary to maintain the condition and the Company should be liable to pay compensation for any permanent damage done to the tank. E

The Dy Commr suggest to count the period of 3 years from 1926 is not justifiable G

Refer orders of the previous offg. Dep Secy in para 6 above.

16. Yesbd for orders.

MK. 17. Both the Dy Commr & the Chief 9.9.30. Inspector of Mines are of opinion that the Tank has to be abandoned as the condition of recovering from the Company the losses accruing of permanent damage stipulated in the order of 1918 will have to be insisted on or cannot be enforced. The Chief Inspector of Mines recommends that the payment of the fee for the period of 3 years 1923, 1926-1928

Note–Contn. Sheet

General and Revenue Secretariat | File No. of 193

Serial No.

When no work was done may be excused but the Dy Comm is of opinion that the Company should ~~pay for those three years as well~~ that the Company should pay for three years from 1926, even if the fee of the intervening period of three years 1923-25 is excused — & this is for orders =

The question of recovering the Compensation due to Govt and to the ryots is stated by the Dy Comm to be separately under the Consideration of Govt (probably in the Revenue).

18. The point for immediate orders in the file is how much should be recovered from the Company towards the fees for the period from 1926 to 1928 (whether Rs 3000 or Rs 5000) ~~Rs 5000~~ Sd for orders

K.O. 19. As pointed out by the D.C. Govt have already lost a considerable sum by commuting the payment of 1½ a. per ton to a lumpsum of Rs 5000. It is also admitted that the Company have made a profit of about Rs 25,000 up to now from the railways. There is, therefore, no reason why they should be excused the payment of the paltry sum of Rs 7000. Condition (5) may be enforced from 1928 onwards.

Note—Contn. Sheet

WD 02328—GPB—10,000—22-4-30

General and Revenue Secretariat — Genl. File No. 122 of 1929.

Serial No.

20. Condition (1) may be waived. The Dept. can, if it is taking action expeditiously to recover compensation for the non-restoration of this and other tanks similarly silted up levy it.

Ch
12/9/30

21. Condition (1) viz the Companies will remove the tailings as expeditiously as possible may be waived as it is considered impossible of fulfilment in the present case as recommended both by the Dep. Comm. & C. E. of Mines.

As regards Condition (5) viz - payment of Rs 1000 per year during the period of ~~the~~ exploitation, the chief despr of Mines recommends the claim being waived while the Dep. Comm. would insist upon its payment on the ground that the Company derived a profit of Rs 25000 during the 3 years ~~ending~~ ending with 1928. The claim of Rs 3000 is for the last three years. If the restoration of this tank by the removal of tailings is considered neither desirable nor possible the justice of the claim will be considerably weakened except that it has to be based on the agreement entered into by the Company as evidenced by their acquiescence in the G.O. of

12
17-12-19

NOTE – Contn. Sheet

WD 02553—30,000—GPB—8-7 30

OFFICE OF THE
THIRD MEMBER OF COUNCIL
13 SEP. 1930
No. 503

1532

Govt. File No. 122 of 1939.

General and Revenue Secretariat

If the bank remains unclosed or has to remain so on account of its being tied up by these ceilings the more proper claim would be that based on the loss caused to Govt. in the shape of revenue and also the cost of construction of the bank now made non available for use and the loss caused to the ryots as a result here of. This aspect of the case is stated as being considered by the Rev. Dept. If this aspect the case is accepted no question of waiver or limitation of the present claim arises. The present claim will get margin in assessing the measure of damages sustained by Govt and the ryots and the Dep. concn will have to be informed accordingly.

Bn
13/9

Third member
13/9 CR

First member

Dewan

22. I am inclined to agree with Mr Ramanathan. The Company having made a profit cannot be allowed to go beside altogether from the understanding according to which

DEWAN'S OFFICE
1460
19. SEP. 1930

Serial No.

permission was rightly given
I do not think there is
sufficient reason to waive
R 3000.

23. The question as to
the action to be taken
both in regard to the loss
sustained & the receipts by
being deposed of water and
by [illegible] an account & assessment
in respect of lands which
have been allowed to be
sold up & the Commissioner
is separately under consideration.
The D C has been given
instructions to settle them
on certain lines & the
final decision awaits
little effect to the case also
But the amount now
claimed stands on an
entirely different footing
I have no objection to Govt
C/S 1-6 & C515 being
waived

Jagrecoth 16/9/30
the 3rd member.

Mudl 19-9-30

OFFICE OF THE
FIRST MEMBER OF COUNCIL
18 SEPT. 1930
No. 3142

WD1021—GPB—30,000—21-8-28

General and Revenu Secretariat — Govt. File No. 122 of 1929

Serial No.

96 Subd with a draft as per underslaves. MR. 2.9.30. 27 D/C. for approval 10 Secys

Ca 12/10/30

28 [For the future, it has been suggested that cards (5) be enforced from the date of re-commencement of operations in May 1930. This means that no payment is to be made for the year 1929 during which no work was done]

29 Please have the draft typed

Bn 15/10 Ca 15/10

30 Typed draft subd Secys 16/10

Ca 16/10

31. For approval

Bn 17/10 Ca 17/10

Read in Camp on 3.10.30

R 1357 D 21/10.30

32 Hd Member. Hon' Sd. 21.10.30

33. Sd 21.10.30

34 Submitted Mr.

35. Issue Ca 24/10

5 To The New Cam The D.C. Kolar The Chief Inspector of Mines The Chief Engr The Comptroller No D 4524-5 of 29 10/3.

Pass orders re the renewal of tailings in the Formaldehyde tanks

OFFICE OF THE THIRD SECRETARY TO COUNCIL 23 OCT. 1930 No. 1166

WD 01684—GPB—30,000—20-4-29

Serial No.	
6	From the Chief Inspector of Mines. No. 751 d. 12.11.30. States, with regd to Sl.5, that the Nandidurg Mines Co'y, Bangalore, have paid the sum of Rs.3000 to the Corporation by means of a cheque in full settlement of their account.
7	The letter has been seen by the Asstt Secy, and Dy Secy's Fellowes. No further action is called for in the matter, the papers may be filed. MW. 2.12.30.
	B MW 2.12.30.
	as the question of recovering compensation from the Mining Companies payable to Govt and the reports refd to in the last para of the orders has to be dealt with in the Revenue Branch to whom a copy of the G.O. of 28.10.30 has been sent. It is therefore for orders whether it is necessary to refer the file to the Revenue Branch asking them to state whether what action is being taken in that Branch on this question. Submd for orders. MW. 2.12.30 No reference necessary. Ca 4/12
8	From the Chief Inspector of Mines. No. 968 d. 11.12.30. Forwards copy of letter d. 11.11.30 from the Supdt, Nandydurg Mines, requesting that condition(5) imposed on the Companies in Mining that they should pay

NOTE—Contn. Sheet.

sum of Rs. 1000 per year for the period during which the work of removal of the tailings was protracted beyond the prescribed period of three years may be waived as the question of restoration of the Yennakuppam tank has been dropped on account of its impracticability and that of recovering compensation for the damage done to this and other tanks and the lands under them is separately under consideration and states that the representation of the Supdt to waive the time limit is reasonable and may be sanctioned.

Submitted for orders with the connected file.

PAV. 13/15.12.30. 19. This is in accordance with the original proposals of the Board on which the G.O. was issued. It does not appear that conditions (1) & (5) are mutually correlative. As per condition (2) the Company were given a permit to remove the tailings, which was valid for 3 years. For renewal of this permit after the period fixed they had to pay Rs. 1000 per annum. By waiving condition (1) the Company are relieved of the obligation of clearing the tanks of about 250,000 tons of useless silt. The wording of the conditions is no doubt ambiguous, but before deciding the matter

General and Revenue Secretariat — Govt. File No. 122 60 of 1929.

Serial No.

finally we may perhaps counsel the D.C. (says) Ce 18/12

40. A copy of the Chief Insp's letter may be sent to the Dep. Com. Kolar for his views in the matter.

Send reminder Bn (9/12 Ce 19/12

41. Ap 23/12 Bn. Ce 23/12

42. Draft by D. G. subd. MR. 43. Issue Ce 24/1 30.12.30.

8 To the D. G. Kolar. No. 7079 d. 10.1.31. Invites his refce to the G. O. of 28.10.30 (Cl. 5) and forwards a copy of letter of 11.12.30 from the Chief Inspector of Mines recommending that condition (5) viz: the payment of Rs. 1000 a year for the period during which the removal of tailings from the Yennakuppam Tank is prosecuted may be waived and calls for his views in the matter.

Yes A MR 17.1.31.

9 From the D. G. Kolar. No. R. Dis. OD-A.I. G. 1157 of 30-31 d. 31.1.31. States that he is of opinion that the sum of Rs. 5000 fixed in the G.O. of 1919 represents the value of the tailings removed in the course of three years and that for the subsequent

RETENTIATELY

1 Jnd.

DEVELOPMENT BRANCH.

NOTE—Contn. Sheet.

T 19 DEC. 1930 No. 2966.

years a charge of only Rs. 1000 has to be levied for the quantity removed in each year, that the contention of the Companies & the Chief Inspector of Mines is that the payment of Rs. 5 000 is the charge for all the tailings in the tank payable to Govt & that the sum of Rs. 1000 a year in subsequent years is not a charge for the tailings payable to Govt but a penalty levied in order to indirectly compel the Companies to remove the tailings as expeditiously as possible and thus avoid the penalty and I state that he adheres to his former view that Govt considered the payment of Rs. 5 000 for the 1st three years & Rs. 1000 for every subsequent year as the charge for the removal of the tailings and not as a penalty.

Invited with ref to the Dep Secy's orders on the previous page.

HHR. 7.2.31.

The Dy Comm's letter is with reference to the Chief Inspector's letter a copy of which was sent him - Ref para 10 above

The Dy Comm's contention is that the annual demand of Rs 1000 is not a penalty for the non removal of tailings & will have to be recovered as a charge for removing the tailings

While the Gold Mining Companies & the Inspector pleads urge that it is not payable - It is for orders if the Legal Remembrancer may be consulted whether according to the terms of the Agreement ~~Govt~~ the annual demand is legally tenable

D. 9.2.31.

6065

App. F. III—2]

General and Revenue Secretariat — Genl File No. 122 of 1939. 15

Serial No.

OFFICE OF THE THIRD COUNCIL
11 FEB. 1931
4666

DF. 4583. CE. L. 31

There seems to be no necessity to consult the L.S.R. The A. Insp. may be informed that the sum of Rs 1000 p.a. is not levied as a penalty, but as a charge for removing the tailings, the sum of Rs 13000 had originally been for the tailings removed during the first 3 years, that the sum has to be paid every year from May 1930 when operations were re-commenced & that there is no question of any remission for removing the tailings

Ce 9/2

Secy 9)

Rx. 9/2 Ce 9/2

Draft transmitted

I agree. I have discussed the matter with Mr. Dewar. This must be final.

M. Ce 11/2

Mue 12.2.31

Rx. Ce 12/2

Draft to the Chief Inspector subd.

MN. 26.2.31.

Issue Ce 28/2

9 To the Chief Inspector of Mines. No. D.8723 d. 6.3.31. States that the request of the above Corporation not be granted & that the addl sum of Rs. 1000 a year which is levied not as a penalty but for removal of tailings has to be paid every year from May 1930.

Copy to D. S. Kolar No. D.8724 d. 6.3.31.

Copy to Comptroller No. D.8725 d. "

B MN 11 Govt. Secrs.

NOTE—Contn Sheet.

WD 02[illegible]—OTD—[illegible]000—7.30

Geol 122-29-1

D.M.E. 34]

Telegraphic address:
"MINESPECTOR."

DEPARTMENT OF MINES AND EXPLOSIVES.

OFFICE OF THE CHIEF INSPECTOR OF MINES IN MYSORE,

No. 1875
Encl. 1

Dated Oorgaum, 19th April 1930.
(S. India)

21/4/30

902

FROM

R. BOCQUET, Esq., J.P.,

CHIEF INSPECTOR OF MINES IN MYSORE.

To

N. Rama Rao, Esq., B.A., B.L.,
Secretary to the Government of His Highness
the Maharaja of Mysore, Development Departments,
Bangalore.

Sir,

Subject:- Removal of tailings from the Sonnakuppam Tank, Kolar Gold Field, by the Nundydroog and Ooregum Gold Mining Companies.

--: o :--

In this connection, I have the honour to draw your attention to Government Order No.G.13676-82/Geol. 83-18-9 dated Bangalore, 12th December 1919 (copy enclosed for ready reference) more especially with reference to condition 5 of the order which has not been carried out to the letter and which the Superintendent of the Nundydroog Mine is now asking may be revoked in the Company's favour for the following reasons:-

The permit in the first instance was valid for a period of 3 years and a commencement was made to remove the tailings on the 25th August 1920. From that date onwards, work was carried on intermittently until 1928 with an interval of 3 years - 1923-1925 inclusive - but it is maintained that during the whole of the period 1920-1928, the work done by the Nundydroog Company was of an experimental nature to ascertain the most economic process by which the tailings could be treated; since then nothing further has been done.

Originally it was estimated that the tank contained, approximately, 650,000 tons of tailings. Of this, the tonnage

treated

treated between 1920-28 amounted to 142,563 tons to prove whether any portion of the total quantity could be profitably treated.

The operations carried out definitely determined that, to treat the tailings successfully, it would be necessary:-

(a) to confine future operations to such portions of the tank as would yield a profit. The quantity in such portions is now estimated at 250,000 tons, or approximately half of the estimated existing contents of the tank.

142,563 x 12
71,286
12,13,849 annas
Rs 13,365-9 annas

(b) to remove about 4 ft. in depth of "over-burden" covering such portions, this over-burden being of too low a value to permit of treatment.

(c) to instal a mechanical haulage and to erect an engine driven by electric motor to operate the haulage.

(d) to sink a pit through the tailings below ground level for the catchment of water and to instal an electric pump to dispose of the water.

(e) to extend power transmission lines to operate the haulage engine and pump.

(f) to excavate and build stormwater drains along the periphery of the tank.

(g) to set aside a portion of the sands plant for the sole treatment of the tailings.

(h) to provide and erect trommels, &c., to screen the tailings before treatment.

(i) to purchase rolling stock, steel-rails and other materials necessary incidental to the above.

These preparations, which have been in hand for some little time, are now practically completed at a total capital cost of approximately R$ 27,500.

In view of the experimental nature of the work and the fact that

that 3 out of the 5 periods in which these operations were being carried out showed no financial gain to the Company, the actual profit over the whole period being less than Rs. 25,000 after deducting the amount of royalty due and paid to Government, it cannot be said that the Company has benefited to any appreciable extent more especially if the outlay (Rs. 27,500) recently made on plant, &c., be taken into account. I am therefore of opinion that the request made by the Superintendent, Nundydroog Mine - viz: that condition 5 of the Government Order in question be revoked - may be favourably considered and that the time limit should be fixed from the date of the recommencement of operations instead of from August 1920.

This concession, if granted, does not mean that Government would lose revenue to the extent of approximately Rs. 7,000 (period 1923-30), because the experimental operations carried out have proved that at any rate portion of the tailings in the bed of this tank can be profitably treated - which before could not be determined - and would have ended in the suspension of operations indefinitely. The revenue, which will ultimately accrue to Government from this source, will exceed any loss they may, so far, have sustained due to condition 5 of the Order not being strictly adhered to.

There is a further point to be considered:-

Condition 1 of the Order lays down that "the Companies will remove the tailings as expeditiously as possible" with the object presumably of restoring the tank to its original state.

From the experiments made, it has been found that approximately 50% of the tailings, i.e. 250,000 tons, are untreatable and therefore would as a matter of course remain in the bed of the tank. It is pointed out that should condition I be imposed, the cost of removing such a large quantity of worthless sands would seriously prejudice, if not prevent, the successful exploitation of the remainder. Again, even if this were insisted upon, owing to its locality and environment it would be practically impossible to prevent the re-silting

of

of the tank. From a personal inspection of the place and surroundings, I am satisfied that this statement is correct.

There appears to be another and important factor to be considered in this connection, viz: that should the restoration of the tank be insisted upon, it would probably have a more than harmful effect on the health of the community living alongside due to pollution. The Health Officers on the Field are of this opinion, i.e. that it would not be a wise move to restore the tank for hygenic reasons, which expression of opinion was upheld by the Sanitary Board when the subject was brought up at one of its meetings last year. The policy, therefore, of ordering the restoration of this tank appears to be of a doubtful nature and that when Government Order No.G.13676, already quoted, was passed, these circumstances were not taken into consideration or that a wrong impression was created as to the benefits likely to accrue from such restoration.

In conclusion, I would submit that the Government Order in question may be kindly reconsidered and modified - conditions 1 and 5 - in the light of the facts given above.

I have the honour to be,

Sir,

Your most obedient servant,

R. V. Bocquet.

CHIEF INSPECTOR OF MINES

IN MYSORE.

M.S.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS

THE MAHARAJA OF MYSORE.

R e a d:-

Government Order No.G.6087-92/G.M.387-14-18 dated 23rd September 1918 directing that the tailings in the Sonnakuppam Tank may be allowed to be removed by the Ooregum and the Nundydroog Companies on payment by them of -

(a) royalty at 5% on the gold obtained
(b) 2½% on dividends
(c) fixed charge of 1½ d. per ton of tailings removed
(d) compensation of about Rs.2,500/- for repairs to the Carr Road and
(e) compensation for such remission of assessment as the Government will have to grant on account of non-supply of water to wet lands below the tank during the last 10 years till such time as the tailings are removed completely and water is made available for the cultivation of those lands at a rate not exceeding Rs.60/- per annum.

2. Correspondence ending with letter No.539 dated 22nd August 1919 from the Director, Department of Mines and Geology, stating that the companies wish to commute the payment of 1½ d. per ton of tailings removed from the tank to a lumpsum and offer to pay Rs.5,000/- in respect of the same and recommending that the offer may be accepted on certain conditions.

Order No. G.13676-82/Geol.83-18-9

Dated, Bangalore the 12th December 1919.

After a careful consideration of the question, Government are pleased to accept the proposal for a lumpsum payment of Rs.5,000/- instead of a rate of 1½ d. per ton of tailings, the payment being in addition to the payment for other damages to the tank, roads, etc., as already decided in Government Order of 23rd September 1918 read above, subject to the following conditions -

1. The companies will remove the tailings as expeditiously as possible.

2. For this purpose they will be given a permit enabling them to do so and to pass from the tank to the Nundydroog Property.

3. The work of removal will be subject to the inspection and orders of the Chief Inspector of Mines in Mysore.

4. Due care should be taken to protect the bund of the tank from injury and to prevent flooding of the roads, the companies being responsible for any damage which may result from the operation of removal.

5. The permit will be valid for three years and if the work of removal is protracted and the time has to be extended the companies should pay at the time of extension a further sum of Rs.1,000/- per year or part of a year of such extension.

(Sd.) M. Venkatesa Iyengar,

For Chief Secretary to Government.

The Director, Department of Mines and Geology on Special Duty
The Chief Inspector of Mines in Mysore.
The Director, Department of Geology.
The Comptroller to Government.
The Revenue Commissioner in Mysore.
The Chief Engineer of Mysore.
The Deputy Commissioner, Kolar District.

--------:o:--------

"Copy"

R. Bacquet.

CHIEF INSPECTOR OF MINES

19/4/30. IN MYSORE.

Appendix F G—1

SUBJECT .....

.....

.....

Section Geol

File No. 122-29

Serial No. 2

No. D/3385

(Encs)

Diary No. of letter replied to..... 9021 .....

General and Revenue Secretariat

( )

the *193*

To The Deputy Commissioner, Kolar Dt.

Date of issue..... 4/6/36

Sir,

Signed by..... H.C.S.N. Rao

In forwarding herewith from the Chief Inspector's letter No. 1875 d. 19.4.36 and its enclosure regarding the removal of tailings from the Gennakuppam Tank, K.G.F. by the Nandidurg & Oorgaum Gold Mining Companies, I am directed to request you to be so good as to furnish your opinion on the matter at an early date.

Return requested

VS

I have etc.,

Ce

4/6

For Dy. Secy. to G.

List of enclosures.....

Copied by.....

Examined by.....

WD02327—GPB—5,000—15-4-36

8

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. D13385 / Eco/122-29-2 Bangalore, Dated, 4/5/30

From

N. RAMA RAO, Esq., B. A., B. L.,
Secretary to the Government of His Highness the Maharaja of Mysore,
Development Departments.

To

The Deputy Commissioner,
Kolar District, K o l a r.

Sir,

In forwarding herewith letter No.1875 dated 19th April 1930 and its enclosure (Return requested) from the Chief Inspector of Mines, regarding the removal of tailings from the Sonnakuppam Tank, Kolar Gold Fields by the Nandidroog and Ooregum Gold Mining Companies, I am directed to request you to be so good as to furnish your opinion on the views of the Chief Inspector at an early date.

I have the honour to be,
Sir,
Your most obedient servant,

4/6

For Secretary to Government,
Development Departments.

2tss 4-6

Geol 122-28-3

D.M.E. 36]

DEPARTMENT OF MINES AND EXPLOSIVES.

Telegraphic address: "MINESPECTOR."

OFFICE OF THE CHIEF INSPECTOR OF MINES IN MYSORE.

No. 282
Encl. 1

Dated Oorgaum 19th August 1930. *192*
(S. India)

GEN. & REV. SECRETARIAT 1531 6 AUG. 1930 DEVELOPMENT BRANCH.

FROM

C. E. Suryanarayana Rao, Esq., Mem.A.I.M.E., &c.,
~~Rx B O C Q U E T x R x x x x R~~,

Ag. CHIEF INSPECTOR OF MINES IN MYSORE.

To

B. Narayanaswami Iyengar, Esq., B.A., B.L.,
Secretary to the Government of His Highness
the Maharaja of Mysore, Development Department
BANGALORE.

Sir,

Subject.- Removal of tailings from the Sonnakuppam Tank, Kolar Gold Field, by the Nundydroog and Ooregum Gold Mining Companies.

-: o :-

In continuation of this office letter No.1875 dated the 19th April 1930, explaining in detail all the circumstances connected with the above subject and recommending the reconsideration and modification of conditions 1 and 5 of Government Order No. G. 13676-82/Geol. 83-18-9 dated 12th December 1919, I have the honour to enclose herein copy of letter No.509 dated 15th August 1930 received from the Superintendent, Nundydroog Mines, Ltd., stating that operations in respect of the treatment of the sands in Sonnakuppam Tank were resumed in May 1930 and that to the end of July 1930, 13,333 tons of sand were treated yielding 841.06 ozs. of gold.

In terms of condition 5 of the above Government Order the company is liable to pay a sum of Rs 7,000/- for the period of 7 years 1923 to 1930, the permit granted in the first instance having expired at the end of the year 1922. Mr.Bocquet has recommended for reasons stated in paras 6 and 7 of his letter quoted above that the work done during the whole of the period viz: 1920 to 1930 be considered as of an experimental nature and waive the claim of Government for the amount since he anticipated

the

the revenue which will ultimately accrue to Government from the resumption of operations will exceed any loss they (the Government) may have now sustained in this behalf.

As approximately 50% of the tailings in the tank bed are untreatable, they have to remain in the tank itself and therefore the tank as a whole cannot be restored; moreover, its situation close to the existing cyanide dumps will tend to greater accumulation of tailings in course of time.

It may be noted here that the Company originally started operations in the Tank in 1920 and carried on for 3 years. No work was done in the years 1923, 1924 and 1925. It was again resumed in 1926 and continued till 1928. The erection of new plant was started in 1929 at a cost of about Rs. 27,500 and on its completion the removal of tailings was resumed in May last.

Therefore it seems reasonable to excuse the company from payment for the period - 1923 to 25 - when work had been completely stopped.

As the Company is anxiously awaiting the result of their representations, early orders of Government are solicited in the matter.

I have the honour to be,
Sir,
Your most obedient servant,

C E Srinivasa Murthy

Ag. CHIEF INSPECTOR OF MINES
IN MYSORE.

M.S.

Letter No.509 dated 15th August 1930, from the Superintendent, Nundydroog Mines, Ltd., Oorgaum, to the Chief Inspector of Mines in Mysore, Oorgaum.

---: oOo :---

I have the honour to acknowledge receipt of your letter No.263 dated 15th inst. and in reply have pleasure in stating that operations in respect of the treatment of the sands in Sonnakuppam Tank were resumed in May this year with the following results:

May	..	1,028 tons	56.26 ozs.
June	..	6,305 "	404.05 "
July	..	6,000 "	380.75 "
	Total	13,333 tons	841.06 ozs.

Prior to his departure Mr. Bocquet had advised me from time to time that Government have passed no orders on this subject. I understood from Mr. Bocquet that he sent up his recommendations to Government based on my letter of 28-12-29, and we are interested to hear what Government intends to do.

---: oOo :---

" C O P Y "

C E Burgamongundam

CHIEF INSPECTOR OF MINES

IN MYSORE.

M.S.

Geol. 2 Mi/122-29-4

In all future correspondence please quote this No. A.1.C.47/30-31. Encls. Three.

OFFICE OF THE DEPUTY COMMISSIONER,
KOLAR DISTRICT.

(Camp) Goribidnur,
Dated, Kolar, the 19th August ..... *19* 30.

GEN. & REV. SECRETARIAT 532 10 AUG. 1930 DEVELOPMENT BRANCH.

FROM

A. V. RAMANATHAN, ESQ., B.A.,
Deputy Commissioner,
Kolar District.

To B. NARAYANA SWAMI IYENGAR, ESQ., B.A., B.L.,
SECRETARY TO GOVERNMENT OF MYSORE,
Development *Department,* s,
Bangalore.

SIR,

Subject:- Removal of tailings from Sonnakuppam Tank, K.G.F., by the Nundydrug and Ooregaum Gold Mining Companies.

In returning herewith letter No:1875 dated 19th April 1930 from the Chief Inspector of Mines in Mysore to your address and its enclosure received with your letter No:D.13385/Geol.122-29-2 dated 4th June 1930 on the above subject, I have the honor to state as follows:-

1. The Executive Engineer, Kolar Division, was consulted in the matter and his letter No:40 dated 21st July 1930 E giving his opinion that it is not advantageous at this stage to restore the Sonnakuppam tank and that the tank may therefore be abandoned, the liability of the Mining Company to compensate the loss to the ryots and Government being separately determined, is ~~next~~ herewith sent in original.

2. The letter of the Chief Inspector of Mines contains two proposals:-

(i) To allow the Company to count the time limit of three years fixed in the Government order of 12th December 1919 from the year 1930 instead of from August 1930, which was the date on which operations originally commenced.

(ii) To waive condition (i) of the said Government Order requiring the companies to remove the tailings from the Sonnakuppam tank as expeditiously as possible, so as to make the tank serviceable again.

3. As regards the 1st suggestion of the Chief Inspector

of Mines it may be pointed out that the Company has actually worked for six years commencing from 1920, i.e., during the three years 1920, 1921 and 1922 and again 1926, 1927 and 1928. The sum of Rs.5,000/- originally paid by the Company represents the amount due up to 1922 under the Government order of 1919. A sum of Rs.3,000/- more is due for the 2nd period of three years, even if the fee for the intervening period of three years, i.e., 1923,1924 and 1925 is excused on the ground that no work was done during that period. The Chief Inspector's letter itself shows that the Company has made a profit of - about Rs.25,000/- for the portion ending with 1928. The Company has therefore a clear profit from which to pay the -- Rs.3,000/- due for the period 1926 to 1928 and would make a profit of Rs.22,000/- even after paying that amount. It may be noted also that the sum of Rs.5,000/- for the 1st three years and the continuing sum of Rs.1,000/- a year for the - period of working thereafter was sanctioned in lieu of the fixed charge of 1½ d. per ton of tailings removed charged in the previous Government Order of 23rd September 1918. Adopting that earlier rate for the 1,42,563 tons of tailings removed to the end of 1928, the charge would be nearly Rs.13,365/- as against the sum of Rs.8,000/- that the Company would pay under my proposal. In view of these circumstances, the request of the Company to be allowed to count the period of three years specified in the said order from 1930 does not appear justifiable.

4. As regards the 2nd point, a perusal of this office file shows that the scope of the operations was not clearly understood in the beginning. The correspondence started with a letter of Col. Richards, the then Superintendent of the Nundydrug Mine dated 6th January 1912 in which he states:

> "May I remind you of my request regarding the Mill tailings which have been gradually washed into the Oorgaum tank and which I wish to have the right to recover and treat.

Mr. Srikanteswara Iyer, the then Deputy Commissioner, adressing the Revenue Commissioner in his No:C.213 dated 15th February 1912 wrote as follows:-

"The Superintendent of the Nundydrug Gold Mining Company in his letter has asked for permission to scoop out the surface of the Sonnakuppam tank Reg. No:594 in the Bowringpet Taluk and recover the Mill Tailings which have been gradually washed into the said tank and silted it up almost to the brim without being capable of holding any water therein. The removal of such tailings by dredging for purposes of treating the same through Cyanide process will also be of advantage to the tank in as much as it may be deepened and made to hold more water. As the tank is a Government one, the Superintendent asks for this permission and I see no objection thereto. I therefore solicit that you may be so good as to grant the necessary permission at an early date on the condition that the prescribed margin near the tank revetment is left safe and the bund is not in any way endangered."

The Superintendent, Col. Richards ~~xin~~ in his letter dated 29th April 1912 to Mr. Bowring emphasised this point saying:

"As already explained, the removing the tailings from this tank will make it serviceable once more". (I may mention, in passing, that this is also the origin of the Cyanide tanks file of this office.)

5. Sonnakuppam tank is not the only tank which has gone out of action on account of silting up with Cyanide sand. The general question of recovering from the Mining Comapnies compensation for the damage to this and several other tanks and the lands under them, payable to Government and the ryots, is spparately under consideration. (Vide my D.O. letter No:A.1.C.1111/27-28 dated 15th March 1930 and my present discussion at Bangalore on the 17th and 18th March with the Second Member of Council, Revenue Commissioner, Law Secretary and Chief Secretary and also General Secretary's letter No:R.7853/L.R.2-25-54 dated 1st April 1929 to Messrs:

John Taylor & Sons Committee, London.) I expect that the Executive Member of Messrs: John Taylor & Sons' Committee who would have returned to the Field on the 17th instant from England would have brought specific instructions to conclude the matter with me and I hope to meet him and settle this question finally before the end of this month.

6. Sonnakuppam tank, particularly, adjoins the Nundydrug and Oorgaum Mines and receives all the sullage and the storm drainage as well as the pumped water of these Mines. The nature of the operations and the confliguration of the ground does not admit of the entire tailings being removed from the Sonnakuppam tank or from any of the other tanks either profitably or with any physical guarantee that they will not drift back to the tank bed again. Even if all the tailings were removed now, the gold recovered out of this heap will be only infinitessimal in quantity and practically the entire quantity of the tailings will after being treated by the Cyanide process be again dumped in the Mine premises which adjoin the Sonnakuppam tank and will inevitably be -- drifted or washed into it by wind and rain. It is therefore necessary to waive condition (1) of the Government Order of 1919. The Company will be made to pay compensation for ~~pay~~ permanent damage to this tank both to the Government and to the ryots.(Vide also condition (E) prescribed in Government Order No:G.6087-92/G.M.387-14-18 dated 23rd September 1918.).

I have the honor to be,
S i r,
Your most obedient servant,

Deputy Commissioner,
Kolar District.

MEMORANDUM.

From

THE EXECUTIVE ENGINEER,

KOLAR DIVISION.

No. 40 dated, 21/7/30 19

To 16

The Deputy Commissioner,

Kolar District, Kolar.

Sir,

With reference to your No.A.1-C.47/30-31 dated 10th July 1930, I have the honor to state that I am of opinion that it is not advantageous at this --- stage to restore the Sonnakuppam Tank, K.G.F., and that the tank may therefore be abandoned. The liability of the Mining Company to compensate the loss to the raiyats and the Government has to be determined.

I have the honor to be,
Sir,
Your most obedient servant,

Executive Engineer,
Kolar Division.

PR 2
Rec 24/7/30

21 JULY 1930
KOLAR

V.S./19-7-30.

G.R.S. App. F VI G-2]

SUBJECT .....

.....

.....

y No. of letter replied to 9023

Sec.

File No.

Serial No.

General and Revenue Secretariat

( )

the *193*

Proceedings of the Government of His Highness the Maharaja of Mysore.

Date of issue 31

Signed by .....

Read—

G.O. No. G.608]-92/G.dh.387—14-18d. 23.9.18 directing that the Gold Mining Companies of Nandidurg Companies, K.G.F. may be allowed to remove the tailings in the Yonnakuppam tank on the payment of (1)* royalty at 5 o/o on the gold obtained, (2)* 2½ o/o on dividends,

May this be * to be typed as below the date

(i) Printed ?

(ii) treated as a standing order ?

(iii) published in the Gazette, English Part?

(iv) translated ?

(v) placed at the disposal of the press ?

(vi) published in the Gazette, Kannada Part ?

Order Thereon No.

~~and~~ (3)* a fixed charge of 1½ d. per ton of tailings removed, ~~in addition to compensation on a/c of certain items.~~

2. G.O. No. G.13676-82/Genl. 83-18-9 d. 12.12.19 (P.T.O.) ~~accepting the proposals of~~ the Director, Dept of Mines & Geology to commute the payment of 1½ d. per ton of tailings removed (cancels the G.O. read above) to a lump sum payment of Rs. d

(4) Compensation of about Rs 2000 for repairs to the Cart Road and at a rate not exceeding Rs 60 p.a.

(5) Compensation for such remission of assessment as the Govt. may have to grant on account of the non-supply of water to wet lands below the tank during the last 10 years, till such time as the tailings are completely removed and water is made available for the cultivation of the lands, at

~~on certain conditions~~

18

2. Letters Nos. 1875-282 d. 19.4.30

19.8.30 reply from the Chief In-

spector of Mines ~~forwarding copy of~~ recommending in a letter received from the Supdt, ~~Nandidurg Mines and inviting at~~ the Co's explanation that condition (5) of the second of the G.O's read above may be waived.

~~Contrary to conditions (1) & (5) of the above~~

G.O. stating that the Companies shd pursue the tailings as expeditiously as possible and that the permit thereon will be valid for three years and that ~~if~~ the month of removal is prolonged the Coys shd pay a further sum of Rs. 1000 for every year or part of a year of such extension of the period of removal in addition to the lumpsum of Rs. 5000 already paid by them and request-

ing ~~and~~ reconsideration and modi-

fication of the same as desired by the ~~Company for reasons set forth in his letter.~~

3. Correspondence ending with letter

No. A.I. 47 of 30-31 d. 19.8.30 from

the DJ Comm^r, Kolar Dt, submit-

ting ~~his views in the matter for~~ opinion on the recommendation of the Ch. Inspector of Mines regd. so as to ~~the orders of Govt.~~ lift the ban read above.

~~Contrary~~ the modification of condition (3) of the G.O. read above as follows:-

~~"That a lump sum payment~~ "That in lieu of the payment of Rs 5000

"that instead of the payment of a fixed charge of 1½ d. for the 7 tailings remains, a lump sum payment of Rs 6000 be made, subject to the following conditions:- .. ..

(See copy items (1) to (5) of the G.O. flagged A.)

List of enclosure

Copied by

Examined by

G. R. S. App F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

In accordance with condition (b) of the record of the G.O.'s read above, the Company had to pay a sum of Rs 1000 per year or part of a year for the period during which the removal of the tailings was protracted beyond the three years period fixed for the removal of the tailings in the original permit. The Company are said to have commenced work of removal of the tailings on 25.8.1920, that the period of the original permit expired on 24.8.1923. From that date, Hungo, the Company had to pay a sum of Rs 1000 for every year or part of a year during which the work remained uncompleted.

The Ch. Insp., Hungo, reports that the work was carried on intermittently till 1928, with an interval of 3 years from 1923-1925 inclusive, when no work was done at all, and that even the work that was done during the rest of the period was of an experimental nature to ascertain the most economical process by which the tailings could be treated. Out of the 650,000 tons of tailings the tank was estimated to contain, 142,563 tons are said to have been removed till 1928, and the rest of the remainder, only 250,000 tons are said to be capable of profitable treatment, for the purpose of which the Company by installing the necessary plant have made preparations at a capital cost of Rs 27,500. For these reasons, Hungo, the Chief Inspector of Mines recommends that in modification of the above mentioned condition (b), the time limit of three years may be calculated from the date of the re-commencement of operations in May 1920, instead of from 25.8.1920.

Further, according to condition (c) of the said G.O., the companies had to remove the tailings as expeditiously as possible so that the tank may be restored to its original state. The Ch. Insp. points out that as approximately 50% or 250,000 tons of the tailings are untreatable, the cost of removing such a large quantity of

WD 0327—GPB—13,200—18-5-27

Order No. 12

After a careful consideration of the whole case, Govt agree with the Hon'ble Dy Comm'r's opinion that as the Company has derived a profit of Rs. 25,000 during the whole period from 1920-28 their request to count the period of three years fixed for the removal of tailings from the tank in question from the date of recommencement of operations, i.e., 1930, does not appear to be justifiable and that an additional sum of Rs. 3000 is still due from the Co. for the 2nd period of its operations from 1926-28 even if the intervening period of three years from 1923-25 is excused on the ground that no work was done during that period, (the amount of royalty paid to Govt. yielding a profit of less than Rs 25,000 after deducting the) Govt therefore direct that a further sum of Rs. 3000 be recovered from the Co. for the years 1926-28 in addition to the lumpsum of Rs 5000 already paid by them. They are however pleased to waive condition (c) of the G.O. of 12.12.19 regarding the

expeditious removal of all the tailings of the tank.

as it is reported that so it is not possible to remove all the tailings on present re-silting of the tank owing to the nature of the operations & the configuration of the ground.

2. As regards the question of taking action both in regard to the loss sustained by the raiyats by being deprived of water and by grant on a/c of assessment in respect of the tanks which have been allowed to be silted up by the Cyanide dust, the D/C Kolar is requested to expedite the submission of his final proposals in the matter after consulting with the Executive Members of the Mysore Gollar Welfare & Trust Committee, London. And the final decision arrived at on this question will apply to this case also.

Dept Secy to Govt

To
The Revenue Commr in Mysore
The Chief Inspector of Mines in Mysore.
The Director of D/C Accounts, Comptroller to Govt
The Chief Engineer of Mysore.
The D/C Kolar D/t.
Copy to Revenue Branch.

worthless material would seriously prejudice, if not prevent, the successful exploitation of the remainder, and that even if this were undertaken upon, it would be practically impossible to prevent the re-silting of the tanks owing to its situation. He further adds that the Health officer of the Field and the Sanitary Board are of opinion that on hygienic grounds it is not advisable to restore the tanks. For these reasons, Mr Bowring, he recommends that condition (1), also be waived.

The D.C., Kolar, who was consulted in the matter, states that the Company have already been shown a concession by the modification of the original rate of 1½d. per ton of tailings removed, viz. in the first of the 9 0's mentioned above, according to which they would have had to pay about Rs 13,26,250 for the total quantity of 1,42,583 tons removed till the end of 1925 against the sum of Rs 2000 they have to pay and that as they are said to have made a net profit of about Rs 25,000 during this period, it is not reasonable to excuse the payment of Rs 1000 p.a. for the three years from 1926 to 1928 when work was carried on, and also the payment for the three years from 1923-1925 when no work was done, may be remitted.

As regards condition (2), the D.C. agrees that it is not worth-while as it is not advantageous to restore the tanks existing on it, and that it may be waived. He adds that the general question of recovering from the Mining Companies compensation for the damage done to this & several other tanks and the lands under them is separately under consideration.

Govt. agree with the D.C. and are pleased to direct that a sum of Rs 3000 be recovered from the Company for the period 1926-1928 the amount due for the years 1923-1925 having waived.

Govt are also pleased to direct that condition (1) be waived & that the disposal of the question of recovering compensation be expedited.

Ch Sec. to Govt.
12/10

In future, condition (5) will be enforced from the date of recommencement of operations in May 1930

Proceedings of the Government of His Highness the Maharaja of Mysore.

Read:-

Government Order No.G.6087-92/G.M. 387-14-18 dated 23rd September 1918 - directing that the Oorgaum and Nandidrug Gold Mining Companies, K.G.F. may be allowed to remove the tailings in the Sonnakuppam tank on the payment of:-

(1) Royalty at 5% on the gold obtained

(2) 2½% on dividends,

(3) A fixed charge of 1½d.per ton of tailings removed,

(4) Compensation of about Rs.2,500/- for repairs to the Carr Road and

(5) Compensation at a rate not exceeding Rs.60 per annum for such remission of assessment as the Government may have to grant on account of the non-supply of water to wet lands below the tank during the last 10 years, till such time as the tailings are completely removed and water is made available for the cultivation of these lands.

2. G.O No.G.6176-82/Geol 3-18-98/12.12.19, sanctioning the modification of condition (3) of the Government Order read above as follows:-

"that instead of the payment of a fixed charge of 1½d.per ton of tailings removed, a lump sum payment of - Rs.5,000 be made subject to the - following conditions".

(1) The Companies will remove the tailings as expeditiously as possible.

(2) For this purpose they will be given a permit enabling them to do so and to pass from the tank to the Nandydrug property.

(3) The work of removal will be subject to the inspection and orders of the Chief Inspector of Mines in Mysore.

(4) Due care should be taken to protect the bund of the tank from injury and to prevent flooding of the roads, the companies being responsible for any damage which may result from the operation of removal.

(5) The permit will be valid for three years and if the work of removal is protracted and the time has to be extended the companies shall pay at the time of extension a - further sum of Rs.1,000/- per year or part of a year of such extension.

3. Letters Nos.1875 and 282 dated 19th April 1930 and 19th August 1930 respectively from the Chief Inspector of Mines recommending in the circumstances explained that conditions (4) and (5) of the second of the Government Order's read above may be waived.

4. Correspondence ending with letters No.A.I.G.47 of 30-31 dated 19th August 1930 from the Deputy Commissioner, Kolar District submitting his opinion on the recommendation of the Chief Inspector of Mines referred to in his letter read above.

Order No. D 45-21-25 Dated. 28/10/30 Bangalore.

In accordance with condition (5) of the second of the Government Order's read above, the two Companies had to pay a sum of - Rs.1,000/- per year or part of a year for the period during which the work of removal of the tailings was protracted beyond the three years period fixed in the original permit, for which a sum of Rs.5,000/- had to be paid. The Nandidrug Company are said to have commenced the work of removal of the tailings on 25th August 1920, so that the period of the original permit expired on 24th August 1923. From that date, therefore, the Company had to pay a sum of Rs.1,000/- for - every year or part of a year during which the work remained uncompleted.

The Chief Inspector now reports that the work was carried on intermittently till 1928, with an interval of 3 years from 1923-1925 inclusive, when no work was done at all, and that even the work that was done during the rest of the period was of an experimental nature to ascertain the most - economical process by which the tailings could be treated. Out of the 650,000 tons of tailings the tank was estimated to ~~certain~~ contain, 142,563 tons are said to have been removed till 1928 yielding a profit of ~~less than~~ about Rs.25,000 after deducting the amount of royalty paid to Government. Out of the remainder. only 250,000 tons are said to be capable of profitable treatment, for the purpose of which the Company have made preparations by installing the necessary plant etc., at a capital cost of Rs.27,500. For these reasons, therefore, the Chief Inspector of Mines - recommends that in modification of the above mentioned condition (5), the time limit of ~~three~~ three years may be - calculated from the date of the recommencement of operations in May 1930, instead of from 25th August 1920.

Further, according to condition (1) of the said G.O. the companies had to remove the tailings as expeditiously as possible so that the tank ~~may~~ might be soon restored to its original state. The Chief Inspector points out that as

as approximately 50% or 250,000. tons of the tailings are untreatable, the cost of removing such a large quantity of worthless material would seriously prejudice, if not prevent, the successful exploitation of the remainder, and that even if this were insisted upon, it would be practically impossible to prevent the re-sifting of the tank owing to its situation. He further adds that the Health Officers of the Field and the Sanitary Board are of opinion that on Hygienic grounds it is not advisable to restore the tank. For these reasons, therefore, he recommends that condition (1) may also be waived.

The Deputy Commissioner, Kolar who was consulted in the matter, states that the Company have already been shown a concession by the modification of the original rate of 1½d. per ton of tailings removed, sanctioned in the first of the G.O's read above, according to which they would have had to pay about Rs.13 365 for the total quantity of 1,42,563 tons removed till the end of 1928, and that as they are said to have made a nett profit of about Rs.25,000 during this period, it is not reasonable to excuse the payment of Rs.1,000 per annum for the three years from 1926 to 1928 when work was carried on, even though the payment for the three years from 1923-1925, when no work was done, may be remitted.

As regards condition (1), the Deputy Commissioner agrees that it is not worth-while insisting on it as it is not advantageous to restore the tank and that the condition may be waived. He adds that the general question of recovering from the Mining Companies compensation payable both to Government and the ryots for the damage done to this and several other tanks and the lands under them is seperetely under consideration. Government agree with the Deputy - Commissioner and are pleased to direct that a sum of Rs.3,000/- be recovered from the Company for the period 1926-1929 -the amount due for the years 1923-1925 being waived. In future, condition (5 will be enforced from the date of recommencement of operations in May 193 Government are also pleased to direct that condition (1) be waived and that the disposal of the question of recovering compensation be expedited.

17/10

Dev.Secretary to Govt.

To

The Revenue Commissioner.
The Chief Inspector of Mines in Mysc
The Comptroller to Government.
The Chief Engineer of Mysore.
The D.C.Kolar District.
Copy to Revenue Branch.

R.N.16/10.

28

GOVERNMENT OF MYSORE.

Geol 122-29-6

Telegraphic Address:—
"MINESPECTOR"

DEPARTMENT OF MINES AND EXPLOSIVES.

OFFICE OF THE CHIEF INSPECTOR OF MINES IN MYSORE.

No. 751
Encl:— one.

OFFICE OF THE THIRD SECRETARY OF COUNCIL.
13 NOV. 1930
1633

Dated Oorgaum, 12th November 193)
(S. India).

FROM

C. E. SURYANARAYANA RAU, ESQ., Mem. A.I.M.E., &C.,
Chief Inspector of Mines in Mysore.

GEN. & 3884 12 NOV. 1930
DEVELOPMENT BRANCH.

To

B. Narayanaswami Iyengar, Esq., B.A., B.L.,
Secretary to the Government of His Highness
the Maharaja of Mysore, Development Departments,
BANGALORE.

Sir,

With reference to Government Order o.D.4521-25/Geol.122-29-5 dated 28th October 1930 regarding the removal of tailings, under certain conditions, from the bed of Sonnakuppam Tank, Kolar Gold Field and directing the recovery of a sum of Rs.3000/- in connection therewith, I have the honour to state that the Nundydroog Mines, Ltd., have paid this amount to the Comptroller, direct by a cheque drawn in his favour. Copy of letter No.509 dated 5th November 1930 addressed to the Comptroller by the Superintendent, Nundydroog Mine in this matter is enclosed for information.

I have the honour to be,

Sir,

Your most obedient servant,

CE Suryanarayanarao
CHIEF INSPECTOR OF MINES
IN MYSORE.

Dy general
Br.
13/11 Ce 13/11

D.S.R.

Mines Engineer

13/11 Sec 14/11
Ce
14/11

29

Letter No.509 dated 5th November 1930 from the Superintende Nundydroog Mines, Ltd., Oorgaum, to the Comptroller to the Gover ment of His Highness the Maharaja of Mysore, Bangalore.

With reference to Government Order No.D.4521-25/Geol.128-2.-5 dated 26th October 1930 regarding the removal of sand tailings, for retreatment under certain conditions, from the bed of Sonnakuppa Tank, I have the honour to enclose herein a cheque No.C 513454 of even date for Rs.3000/- drawn on the National Bank of India, Ltd., in your favour in full settlement of account in the Government Pro

Please acknowledge receipt of the cheque in duplicate and oblige.

-------: o :--------

"Copy"

C S Rau

CHIEF INSPECTOR OF MINES

AS IN MYSORE.

D.S.R.

Geol 122-29-7

GOVERNMENT OF MYSORE.

Telegraphic Address:—
"MINESPECTOR"

REGISTERED

DEPARTMENT OF MINES AND EXPLOSIVES.
OFFICE OF THE CHIEF INSPECTOR OF MINES IN MYSORE.

No. 968
Encl:— one file of papers containing 146 pages.

Dated Oorgaum, 11th December 1930
(S. India).

4793

FROM

C. E. SURYANARAYANA RAU, ESQ., Mem. A.I.M.E., &C.,
Chief Inspector of Mines in Mysore

To

B. Narayanaswami Iyengar, Esq., B.A., B.L.,
Secretary to the Government of His Highness
the Maharaja of Mysore, Development Departments,
BANGALORE.

Sir,

Adverting to G. O. No.D.4521-25/Geol. 122-29-5 dated 28th October 1930 re: removal of tailings from Sonnakuppam tank, I have the honour to forward herewith copy of letter No.509 dated 8/11th November 1930 from the Superintendent, Nundydroog Mines, Ltd., requesting that condition (5) referred to in para 2 of the preamble of the above order be waived for the reasons submitted in his letter.

In this connection, I may state that conditions (1) and (5) of Government Order No. G.13676-82/Geol. 83-18-9 dated 12th December 1919 were imposed on the companies with a view to get the tank restored as speedily as possible. This is clear from para 4 of letter No. R.Dis. A, C 47/30-31 dated 19-8-1930 from the Deputy Commissioner, Kolar District, read in the preamble of the Government Order under advertance. When the 1919 order was issued, all the parties concerned were apparently under a wrong impression of the circumstances governing not only the economic treatment of the tailings but also the policy of tank restoration. Now that the question of restoration of Sonnakuppam tank is dropped on account of its impracticability and the question of recovering from the Mining Companies compensation for the damage to this and several other tanks and lands under them is separately under consideration,

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the Superintendent's reasonable request merits favourable consideration.

It will be observed that in para 2 of the Deputy Commissioner's letter read in the preamble of the G.O. under advertance, the following sentence occurs which requires to be cleared:

> "It may be noted also that the sum of Rs. 5,000/- for the "first three years and the continuing sum of Rs. 1,000/- "a year for the period of working thereafter were sanc- "tioned in lieu of the fixed charge of 1½ d. per ton of "tailings removed, charged in previous Government Order "of 23rd September 1918"

This is not so. The question of levying an additional royalty over and above that payable under their lease conditions was first raised by the then Financial Secretary in his note dated 3-12-1913 when the Superintendent, Nundydroog Mines, Ltd., applied for permission to work the tailings washed into Sonnakuppam tank. A fixed charge of 3 d. per ton of tailings removed was then proposed to be levied which the companies demurred to accept. In spite of this G. O. No.G.6087-92/G.M. 387-14-18 dated 23-9-1918 was passed imposing certain conditions, the most important being:

(1) Reduction of fixed charge from 3 d. to 1½ d. per ton of sand

(2) Lumpsum payments for damage done to roads, lands &c.

It may be noted that no time limit to remove the tailings was prescribed in this order.

When this order was communicated to the Superintendents they represented that its terms were at variance with those which they had proposed in their letter of 24-9-1917 to the Deputy Commissioner and which he had forwarded to Government with his letter No. H. C. 82 dated 9-10-1917 and requested reconsideration.

Then the question of commuting the fixed charge of 1½ d. imposed in the 1918 order into a lumpsum payment arose and Government agreeing to this principle directed the Director, Department of Mines & Geology in their letter No.G.22787/Geol. 83-18-7 dated 7-4-1919

P E S Rao

to ascertain from the Companies what amount they would be prepared to pay.

The Companies offered Rs. 5,000/- in their joint letter dated 15-7-1919. The Director in submitting this letter for the orders of Government opined that the offer of an extra Rs. 5,000/- was liberal and that the permit may be made valid for 3 years after which an additional charge of Rs. 1,000/- per annum might be claimed for each year of extension. He added "I am unable to say at what rate the tailings could be treated or how this latter proposal would be viewed by the Companies; it might of course make the charge excessive, but we may perhaps offer it and see what they say".

On this, G.O. No.G.13676-82/Geol. 83-189 dated 12-12-19 was passed sanctioning the Director's recommendation subject to the following conditions among others:-

1. The Companies to remove tailings as expeditiously as possible.

2. Permit valid for 3 years and if the work of removal is protracted and the time extended, Companies to pay Rs. 1,000/- per year or part of a year of such extension.

It must be noted here that when these conditions were offered by Government and accepted by the Mining Companies and in fact throughout the whole period, the idea of restoring the tank for the benefit of cultivators under it was ever present in the minds of all concerned and therefore it was that a time limit was fixed and a penalty imposed if operations were continued beyond that period. The sum of Rs. 5,000/- paid in the first instance was not a payment for the first 3 years as made out by the Deputy Commissioner but in lieu of the $1\frac{1}{2}$ d. per ton of workable tailings in the tank bed.

Under these circumstances and in view of the fact that the contents of the tank, as proved by experience, vary considerably both in character and value, necessitating the selection of sands for retreatment, a procedure which is rather tedious involving loss

of time and labour, it seems to me that the time allotted, viz: 3 years, will not be sufficient to handle all the sands in the tank. I have personally discussed this matter with Messrs. Kenneth B. Taylor and Hudson in company with Mr. Ramanathan, Deputy Commissioner. As a result of this discussion also, I beg to submit that the representation of the Superintendent to waive the time limit is reasonable and the same may be sanctioned.

The original file of papers pertaining to this subject, obtained from the Director, Mysore Geological Department, is herewit enclosed for reference and return when done with.

I have the honour to be,

Sir,

Your most obedient servant,

C E Srinivasagowdaru

CHIEF INSPECTOR OF MINES

IN MYSORE.

M.S..

Letter No.509 dated 8th/11th November 1930 from the Superintendent, Nundydroog Mines, Ltd., Oorgaum, to the Chief Inspector of Mines in Mysore, Oorgaum.

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In continuation of my No.509 of the 30th ult. I have the honour to inform you that I have consulted Mr. Kenneth Taylor and he has expressed his approval of the conditions agreed to by Government for the treatment of Sonnakuppam Tank Sands, as specified in Government Order No. D. 4251-25/Geol. 122-29-5 dated 28th Octobe. 1930, viz:-

That condition (1) of Government Order No.G.13676-82/Geol. 83-18-9 dated 12-12-19 (as more fully detailed in aforementioned Government Order) be waived.

That condition (5) in so far as it relates to the years 1923-25 be waived, but that the Companies shall pay a sum of Rs. 3000 in respect of the years 1926-28.

In accordance with the above I have sent a cheque for Rs. 3000/- to the Comptroller together with a letter, a copy of which I enclose herewith for your information.

Regarding the order whereby the Companies are liable to pay Rs. 1000/- per annum should the sands not be removed, i.e. treated, within three years from May 1930; I beg to submit that as Government have agreed that there is now no necessity to restore the tank and in consequence have waived clause (1) and in view of the fact that clause (5) was originally based on the necessity of expeditiously restoring the tank to its original condition of a water catchment - for which reason the penalties were laid down - the necessity of a time limit for treatment of the sands now no longer exists.

In the light of experience gained regarding the contents of the tank it is quite probable that 3 years will not suffice for

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the treatment of the sands, and that within that period means may be found to treat the large proportion of low grade sands which at present cannot be treated at a profit.

We shall be glad therefore if you will approach the Government with a request that clause (5), as amended for the future be also waived.

The Government Order quotes the Deputy Commissioner as follows:-

> "the general question of recovering from the Mining
> "Companies compensation payable both to Government and the
> "ryots for the damage done to this and several other tanks
> "and the lands under them is separately under consideration

I submit that this arrangement supports my Company's request in favour of waiving the penalties under clause (5), as it does not appear equitable that my Company should pay compensation for damage to the land and also be liable for penalties for not treating the sands in a given period, when Government have agreed that there is no need for the tank to be restored to its original condition.

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" C o p y "

C & Rau

CHIEF INSPECTOR OF MINES

IN MYSORE.

M.S.

Appendix F G—1

36

SUBJECT.....

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Section Genl.

File No. 122-29.

Serial No. 8

No. 7079

Diary No. of letter replied to 4793

General and Revenue Secretariat

( )

the *193*

To

The D^t Commr, Kolar D^t

Date of issue 16.1.31

Sir,

Signed by [illegible]

DLS
Flag I

In inviting your kind notice to G.O.No.D.4521-5/Genl.122-29-5 d. 28.10.30 passing orders in the matter of the removal of tailings from the Lanmakuppam Tank, K.G.F., by the Nandidroog and Oorgaum Gold Mining Companies, I am directed to forward herewith a copy of letter No. 968 d. 11.12.30 from the Chief Inspector of Mines together with a copy of its enclosure recommending that condition (5) read to

List of enclosures.....

Copied by.....

Examined by.....

[over

WD 2550—GPB—35,000—25-6-30

in para 2 of the preamble of the above
G.O., viz., that the Companies should
pay a sum of Rs. 1000 per year for
the period during which the work of
removal of the tailings was pro-
tracted beyond the prescribed period limit
of three years, may be waived ~~as the request~~
~~is reasonable~~ and to request that
you will be so good as to favour
Govt with your views in the mat-
ter at the ~~earliest~~ an early date.

I have etc.,

Ca
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For the Secy to Govt.

In all future correspondence please quote this No. R.Dis.on A.1.C.1151/30-31. Encls.

OFFICE OF THE DEPUTY COMMISSIONER,
KOLAR DISTRICT.

Dated, Kolar, the...31st..January.....1931.

FROM

A. V. RAMANATHAN, ESQ., B.A.,
Deputy Commissioner,
Kolar District.

GEN & REV SECRT 6065 FEB 38

TO B. NARAINSAMIENGAR, ESQ., B.A., B.L.,
SECRETARY TO GOVERNMENT OF MYSORE,
Development *Department*,s,
Bangalore.

SIR,

Subject:- Sonnakuppam tank - Removal of tailings.

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In reply to your letter No:D.7079/Geol.122-29-8 dated 10th January 1931 on the above subject, I have the honor to state as follows:-

I am of the opinion that the sum of Rs.5,000/- fixed in the Government Order of 1919 represents the value of the tailings removed in the course of three years and payable to the Government as the tailings are removed from their property and that for the subsequent years, a charge of only Rs.1,000/- has to be levied for the quantity removed in each year.

The Companies on the other hand contend, and the Chief Inspector of Mines supports their contention that the payment of Rs.5,000/- is the charge for all the tailings in the tank payable to the Government as the tailings are removed from -- their property, and that the sum of Rs.1,000/- a year in subsequent years is not a charge for the tailings payable to the Government as proprietor but a penalty levied in order to indirectly compel the Companies to remove the tailings as expeditiously as possible and thus avoid the penalty.

I have studied the subject at Bangalore with you and the Third Member of Council and submitted my views in person in the light of that study. I adhere to the view that I then expressed that, though there is warrant for the contention of the -- Mining Companies and of the Chief Inspector of Mines in t h e letters addressed to the Government by the Director of Geology the orders of Government the decision of in the Council are clear that the Director's views did not find favour with the

Government and that the Government considered the payment of Rs.5,000/- for the 1st three years and Rs.1,000/- for every subsequent year as the charge for removing the tailings and not as a penalty. I am fortified in this view by the fact - that while the penalty is used in the Geological Department correspondence and it is not used in any of the orders of -- Government.

I have the honor to be,
S i r,
Your most obedient servant,

Deputy Commissioner,
Kolar District.

V.V.R.
31131.

Appendix F G—1

SUBJECT 40

Section Genl.
File No. 122-29
Serial No. 9
No. D8723 / Genl / Circular / file

Diary No. of letter replied to 6065

General and Revenue Secretariat
( )
the *193*

Date of issue 6.3.31

Signed by Mr Orr

To
The Chief Inspector of Mines in
Mysore, Oorgaum, K.G.F.

Sir,

With ref to your letter No. 968 d. 11.12.30 forwarding a copy of letter No. 509 d. 11.11.30 from the Supdt, Nandidrug Mines, Ltd, Oorgaum, in the matter of waiving condition (5) of the G.O. No. G.136 71-82 Genl-83-189 d. 12.12.19, viz, that the Mining Companies should pay a sum of Rs. 1000 per annum for the period during which the work of removal of the tailings is protracted

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List of enclosures

Oorgaum & Nandidrug Gold

Copied by

Examined by

WD 02569—GPB—25,000—25-6-29

beyond the prescribed limit of three years for the reason that the question of the restoration of the tank in question has been dropped on account of its impracticability and recommending that the request of the Gupta may be favourably considered, I am directed to state that contrary to his assertions the sum of Rs. 1000 per annum is not levied as a penalty but as a charge for removing the tailings, the sum of Rs. 5 000 paid originally being for the tailings removed during the first 3 years, that the above sum (of Rs. 1000) has to be paid every year with effect from May 1930 when operations were recommenced and that there is thereforeno question of any time limit for the removal of the tailings. ~~I am to add that the present D. G. Kolar (Mr. A. V. Ramanathan) who was consulted in the matter holds the same view.~~

2. The original file of papers relating to this subject ~~and~~ received with your letter under acknowledgement is herewith returned.

I have etc.,

In the circs, exempn, Govt regret that the request cannot be granted. Can to state to

D 8724 6.3.31

Dir Geol to put.

Copy to the D. G. Kolar with ref to his letter No. M4. 1157/30-31 dt. 31.1.31. By order

D 8725 6.3.31.

For Dir Geol to put. Copy to the Comptroller for info.